

1 that information services traffic is traffic  
2 permitted in Virginia?

3 MR. ARGENBRIGHT: I have previously  
4 accepted that 976 traffic is prohibited in  
5 Virginia. I don't know if there is a prohibition  
6 against all types of information services traffic.

7 MS. FAGLIONI: Is it your understanding  
8 that Verizon's main concern in proposing its  
9 information services traffic language was in effect  
10 in MFN concerned, that this agreement that was  
11 reached with WorldCom in Virginia would be adopted  
12 in another state where information services traffic  
13 is permitted, that Verizon was looking to ensure  
14 completeness of the agreement?

15 MR. ARGENBRIGHT: Yes, I saw that  
16 testimony that indicated that was the concern.

17 MS. FAGLIONI: Okay. And are you familiar  
18 with any ongoing discussions about a possibility of  
19 figuring out a way to put a reservation, if you  
20 will, put an acknowledgement in the agreement as a  
21 compromise position that recognizes that  
22 information services traffic is really not

1 permitted in Virginia?

2 MR. ARGENBRIGHT: I'm not aware of  
3 specific discussions to include that.

4 MS. FAGLIONI: Okay.

5 What I have marked as Exhibit 57 is  
6 language that Verizon did proffer to WorldCom, I  
7 don't know, last week, I believe.

8 MR. ANTONIOU: This morning.

9 MS. FAGLIONI: That's fine.

10 MR. ANTONIOU: Actually, we talked about  
11 this when we did offer it last week, you're right.  
12 Let's make sure it's straight.

13 MS. FAGLIONI: Mr. Argenbright, it's my  
14 understanding you have not seen this language; is  
15 that correct?

16 MR. ARGENBRIGHT: I haven't thoroughly  
17 reviewed it.

18 MS. FAGLIONI: Well, have you seen it?

19 MR. ARGENBRIGHT: Yes, I had seen the  
20 language. It would be better to characterize it as  
21 I knew that the language had been proposed, but I  
22 have not reviewed it.

1 MS. FAGLIONI: Okay. And generally  
2 speaking, if the concept is a concept of a  
3 reservation, if you will accept that  
4 characterization, and I understand you haven't  
5 thoroughly reviewed it, but the notion that the  
6 contract would indicate something along the lines  
7 that this is not really--neither party offers this  
8 kind of information services, that the parties  
9 could at some future date agree. Would that  
10 alleviate your concerns about Verizon's previously  
11 offered language?

12 MR. MONROE: I will object to that,  
13 Mr. Dygert. Mr. Argenbright is not WorldCom's  
14 negotiator, and I believe now Ms. Faglioni is  
15 asking questions about the language and avoiding  
16 referring to it specifically.

17 MS. FAGLIONI: I think this has been  
18 something known to Verizon witnesses for the past  
19 two weeks, where they have been asked to respond to  
20 the subject matter of the proposal. If he doesn't  
21 want to look at the words, I'm happy not to take  
22 him through the words, but my Verizon witnesses

1 have been asked all week: Is this a concept that  
2 you're agreeable to? I made the point last week  
3 that my witnesses were often not the negotiators,  
4 but yet that's been the cross all week.

5 MR. DYGERT: I think it's a fair question,  
6 and he could answer it.

7 MR. ARGENBRIGHT: Can you give it to me  
8 one more time?

9 MS. FAGLIONI: Sure.

10 Is the concept of putting a reservation in  
11 the agreement as opposed to language that says here  
12 is how the parties are going to deal with  
13 information services traffic, put a reservation in  
14 that recognizes that that's not something that's  
15 done at this time in Virginia, not traffic that's  
16 exchanged? Will that address your concerns with  
17 Verizon's proposal?

18 MR. MONROE: Could I ask by way of  
19 clarification, when you say "information services  
20 traffic," how you're defining that.

21 MS. FAGLIONI: In the same way it was  
22 defined in the original language that was put on

1 the table.

2 And if your point is that you have a  
3 concern with how it's defined, that's fine, but...

4 MR. ARGENBRIGHT: I think the answer is  
5 no. I think we still got a concern with the nature  
6 of this traffic, and as it was proposed in the  
7 original language, again the two major concerns  
8 with regard to collection of money and treatment of  
9 the traffic. You know, just reserving that for a  
10 later discussion I don't think does resolve the  
11 issue.

12 MS. FAGLIONI: There wouldn't be exchange  
13 of financial anything if this traffic isn't passed  
14 in Virginia; isn't that true?

15 MR. ARGENBRIGHT: If we are talking about  
16 976 traffic--that's what I'm struggling with. I  
17 don't know the universe. Maybe that was the  
18 definition that you were discussing. I don't know  
19 the universe of traffic that this covers, and  
20 there's considerable problems with this traffic.

21 MS. FAGLIONI: At this time I would move  
22 for the admission of Exhibit 57 on the basis that

1 the witness did indicate that he is aware that this  
2 has been a proposal on the table. I understand  
3 counsel's objection to it, that this particular  
4 witness may not have looked at it, but I think it  
5 helps the record in terms of what is the latest and  
6 greatest proposal on the table.

7 MR. MONROE: I would object, Mr. Dygert.  
8 If the implication is that this is now the language  
9 that we are litigating and not the language that  
10 both parties filed testimony on, I object to this  
11 being entered into the record.

12 In other words, if this matter is not  
13 resolved between the parties and the Commission is  
14 required to make a decision, if this is the  
15 language that Verizon is now sponsoring and it has  
16 abandoned the earlier proposed language, there has  
17 been no testimony filed on this new language.

18 MR. DYGERT: When did you receive this new  
19 language?

20 MR. MONROE: We received it in this form  
21 this morning. I believe it was sent to WorldCom in  
22 an e-mail last week.

1 MR. DYGERT: In this form in an e-mail?

2 MR. MONROE: Yes.

3 MR. DYGERT: When last week? Do you  
4 recall?

5 MS. FAGLIONI: I'm happy to clarify. I'm  
6 sure it was sent after September 5th rebuttal  
7 testimony, such that this language was not  
8 addressed in testimony, but I believe the parties  
9 have offered testimony on at least--he's got  
10 testimony that concerns that he may or may still  
11 not have. His testimony will speak for itself, but  
12 to the extent that one of the concerns was that  
13 WorldCom didn't like whatever the financial risk  
14 allocation provisions are that he's got his  
15 testimony up there on it. He's got his testimony  
16 up there. If it's still a definitional problem,  
17 it's still a definitional problem.

18 MR. DYGERT: We are going to overrule the  
19 objection. It sounds like to me you all had some  
20 time at least to review the language. If you  
21 perceive there to be problems with it that you  
22 would like to explore with your witness on

1 redirect, you are welcome to do that, but we have  
2 been encouraging the parties to submit updated  
3 language whenever possible, and this appears to be  
4 updated language. And your ability to explore it  
5 on redirect, I think, should cure any prejudice you  
6 may have for not having been able to file rebuttal  
7 testimony on it earlier in this proceeding.

8 MR. MONROE: We also haven't had an  
9 opportunity to file direct testimony on it.

10 MR. DYGERT: I'm giving you that  
11 opportunity right now.

12 MR. MONROE: I appreciate that, and if I'm  
13 going to do that, I would like an opportunity to  
14 confer with my client before I have redirect on it.

15 MR. DYGERT: All right. Why don't we  
16 finish--Mr. Argenbright, are you--maybe I should  
17 ask you, Mr. Monroe, is Mr. Argenbright involved in  
18 the other--I guess he is involved in the other  
19 issue on this panel.

20 MR. MONROE: Yes, he is.

21 MR. DYGERT: Does Verizon have any cross  
22 for WorldCom on the alternate billed calls



1 question?

2 MS. FAGLIONI: Let me ask you this: Is it  
3 your understanding on the alternate billed calls  
4 set of language, that that is in effect language  
5 that is placeholder language that Verizon has  
6 proposed?

7 MR. ARGENBRIGHT: I don't remember it as  
8 being that way, no.

9 MS. FAGLIONI: In other words, that the  
10 parties aren't actually at this point discussing  
11 what the arrangements will be for alternate billed  
12 traffic. Instead, the parties are indicating that  
13 they will agree at some future date?

14 MR. ARGENBRIGHT: Right. And I believe  
15 our position is that's fine. It could be pending  
16 an agreement at some future date for billing and  
17 collection, but the interim period where there is  
18 no agreement, I think our concern is that we are  
19 not responsible for the financial--the money that  
20 Verizon would like to collect for those calls in  
21 the event we are terminating them on Verizon's  
22 behalf.

1 MS. FAGLIONI: Would you be the witness  
2 from "Verizon" who would be involved in the merits  
3 of what the alternate billed calls' actual proposal  
4 as opposed to placeholder proposal should be?

5 MR. ARGENBRIGHT: I wouldn't be certainly  
6 for Verizon and I wouldn't be for WorldCom either.

7 MS. FAGLIONI: I don't have any further  
8 questions.

9 MR. DYGERT: Mr. Monroe, why don't you go  
10 ahead and cross this panel on the two issues, if  
11 you care to, and then we could take a quick break  
12 so you can confer with your client about the new  
13 language that you--we just admitted from Verizon.

14 MR. MONROE: Thank you. Before I begin,  
15 though, I guess I would like to clarify, am I  
16 crossing these witnesses on the language that was  
17 proposed in Verizon's origin filing, or am I  
18 crossing them on this new language?

19 MR. DYGERT: Maybe we should take a break  
20 right now because I think it would be most  
21 productive for you to cross them on the language  
22 that's their current proposal.

1 MR. MONROE: Thank you.

2 (Brief recess.)

3 MR. KEFFER: While we are on a break, I  
4 distributed to the parties an  
5 eight-and-a-half-by-eleven copy of what was  
6 designated yesterday as AT&T Exhibit 37, which is  
7 the drawing which Mr. Schell did during the  
8 intercarrier compensation panel yesterday, and I  
9 would move that it be received into evidence.

10 MR. DYGERT: Any objection from Verizon?

11 MS. FAGLIONI: No objection.

12 (AT&T Exhibit No. 37 was  
13 admitted into evidence.)

14 MR. KEFFER: I will take this opportunity  
15 to ask an administrative question. Are there any  
16 AT&T exhibits that I have neglected to move into  
17 evidence? I'm notoriously bad about that, and I  
18 thought I would ask.

19 MR. DYGERT: There may be.

20 (Off the record.)

21 MR. DYGERT: We are back on the record.

22 Mr. Monroe, you can cross on alternate billed calls

1 or information services.

2 MR. MONROE: It's my understanding that  
3 Verizon has completed asking questions on both  
4 issues in this panel; is that right?

5 MS. FAGLIONI: That's correct.

6 MR. MONROE: I will cross on both of those  
7 issues, then.

8 MR. DYGERT: All right.

9 CROSS-EXAMINATION

10 MR. MONROE: Good morning, ladies, and  
11 Mr. Antoniou.

12 On page five of Verizon 12, which is your  
13 August 17th direct on this issue, you note that  
14 WorldCom--I'm sorry, I'm talking about VI-1(Y)  
15 right now. You note that WorldCom accepted  
16 Verizon's language with the addition of a sentence  
17 proposed by WorldCom; is that correct?

18 MS. FINNEGAN: I don't know if we accepted  
19 that. I have seen the language, yes.

20 The additional language you're talking  
21 about is--refers to that the end user would be  
22 responsible for the billing.

1 MR. MONROE: Yes. My question was just  
2 whether or not it's correct that you noted in your  
3 testimony that WorldCom had accepted Verizon's  
4 language with the addition of another sentence  
5 regarding the subject you were referring to.

6 MS. FINNEGAN: Yes.

7 MR. MONROE: You don't say in your  
8 testimony, though, whether or not Verizon accepts  
9 that additional sentence proposed by WorldCom; is  
10 that correct?

11 MS. FINNEGAN: That's correct.

12 MR. MONROE: And does Verizon accept it?

13 MS. FINNEGAN: I don't like the language  
14 myself because it really doesn't speak to how the  
15 end user would be billed. It just says the end  
16 user is responsible for the billing, but it doesn't  
17 go on to say how that would work.

18 MR. MONROE: Well, it's my understanding  
19 that Verizon's intention with this language was to,  
20 in effect, put off for another day establishing how  
21 the end user would be billed, and that you weren't  
22 continuing to negotiate that language right now;

1 isn't that correct?

2 MS. FINNEGAN: Yes. We have other  
3 language that we are proposing, that we have  
4 proposed, yes.

5 Is that the question?

6 MR. MONROE: You proposed additional  
7 language for issue VI-1(Y) as well?

8 MS. FINNEGAN: We have proposed  
9 alternative language for the settlement of  
10 alternate billed calls, yes.

11 MR. MONROE: And when did you propose  
12 that?

13 MS. FINNEGAN: We were just talking about  
14 it informally this morning, yes, but it's not  
15 officially been proposed.

16 MR. MONROE: Okay. So--

17 MR. ANTONIOU: That had been officially  
18 proposed to you, whether it's in the record or not.

19 MR. MONROE: But that's the language you  
20 are referring to, is what you have presented to us  
21 off the record this morning?

22 MS. FINNEGAN: Yes.

1 MR. MONROE: All right. My question,  
2 though, is: If Verizon's intention in this  
3 language is to put off for another day how the  
4 billing would be done, why does it object to  
5 WorldCom's language that doesn't say how the  
6 billing will be done?

7 MS. FINNEGAN: We don't really object.  
8 I'm pretty confident that the new language which  
9 really just speaks to the industry standard  
10 process--

11 MR. MONROE: Excuse me, I'm not talking  
12 about the new language right now. I'm talking  
13 about the language that WorldCom proposed in  
14 addition to the Verizon language.

15 MR. ANTONIOU: Would you please ask your  
16 question again.

17 MS. FINNEGAN: I don't understand that.

18 MR. MONROE: I believe Ms. Finnegan  
19 testified that she objected to WorldCom's  
20 additional sentence to Verizon's language because  
21 it didn't make clear how the end user would be  
22 billed, and my question is: I understand that

1 Verizon's position is it wants to put off for  
2 another day determining how the end user will be  
3 billed and what the arrangements are between the  
4 parties.

5           So, my question is: Why does she object  
6 to WorldCom's language, which is silent on the  
7 issue that Verizon wishes to be silent on?

8           MR. ANTONIOU: I will answer that  
9 question. And the answer is: Our position is we  
10 don't want to put it off. We have looked at this  
11 question carefully. We have given you language  
12 that we think is fair and appropriate, consistent  
13 with what the industry does. That is our position.

14           MR. MONROE: And when you say you have  
15 given us language, you are again referring to the  
16 language you have given us off the record this  
17 morning; is that correct?

18           MR. ANTONIOU: Yes it is.

19           MR. MONROE: Just to make the clear  
20 record, if the parties are unable to resolve either  
21 of these issue, VI-1(Y) or VI-I(AA), and the  
22 Commission is called upon to render a decision, is



1 Verizon going to be advocating the new language for  
2 VI-1(Y) that was presented off the record to  
3 WorldCom this morning, and the new language for  
4 VI-1-(AA) that was presented via e-mail to WorldCom  
5 last week and abandoning its originally proposed  
6 language?

7 MR. ANTONIOU: That's correct.

8 MR. MONROE: Just for the record,  
9 Mr. Dygert, I would like to renew my objection to  
10 that process, but--

11 MR. DYGERT: I don't think we have any new  
12 language for VI-1(Y) at this point that's been  
13 offered into the record.

14 MR. MONROE: We don't, but this is the  
15 opportunity WorldCom has for a hearing, and if we  
16 are not--we don't have any new language in the  
17 record, we don't have any testimony on the new  
18 language, we are not crossing on the new language,  
19 but yet apparently the Commission is going to be  
20 asked to render a decision on the language, and I  
21 object to that.

22 MR. DYGERT: All right. Your objection is

1 noted.

2 MR. MONROE: Thank you.

3 Back on issue VI-1(Y), then, it's my  
4 understanding that Verizon wants to address the  
5 billing for alternate billed calls because I think  
6 in your testimony you said something to the effect  
7 that Verizon is frequently required by state  
8 commissions to do billing and collection functions  
9 for other carriers; is that correct?

10 MS. FINNEGAN: The term billing and  
11 collection functions is in relationship to IXC or  
12 interexchange carrier messages. These are local  
13 exchange or intra-LATA messages, which are  
14 exchanged in a process by the industry called CMDS,  
15 and that's what we are proposing to use.

16 I'm certain MCI is already using this  
17 system today, the CMDS system.

18 MR. MONROE: Let's clarify what traffic we  
19 are about for issue IV-1(Y). We are only talking  
20 about intra-LATA toll calls; is that correct?

21 MS. FINNEGAN: That's correct.

22 MR. MONROE: We are not talking

1 about--well, forget that. Are we only talking  
2 about intra-LATA toll calls that are carried either  
3 by WorldCom or Verizon?

4 MS. FINNEGAN: No, not necessarily. The  
5 calls could be carried by another local exchange  
6 carrier, but billing to WorldCom's--a WorldCom  
7 customer. For example, if the call originated,  
8 say, in Florida. It's a local call billed third  
9 number to MCI/WorldCom UNE line. How would the  
10 call get to the UNE customer? It would come over  
11 CMDS, it would go through Verizon, and Verizon  
12 would hand it off to WorldCom for billing to the  
13 end user.

14 MR. MONROE: Are you talking about the  
15 routing, or are you talking about the billing of  
16 the call?

17 MS. FINNEGAN: Really both. You're  
18 talking about the routing, how we get to WorldCom,  
19 and the billing of the call, WorldCom would bill it  
20 to their end user, and the settlement is also taken  
21 care of by the CMDS process.

22 MR. MONROE: I believe you say in your

1 testimony that you're concerned that--and I think I  
2 asked this question, and I'm not sure I got an  
3 answer to it, though, that various state  
4 commissions have required Verizon to do billing and  
5 collection for certain traffic; is that correct?

6 MS. FINNEGAN: I'm not sure because I  
7 never think of billing and collections when I think  
8 of intra-LATA toll. I think of that related to,  
9 like I said, interchange messages. So--

10 MR. MONROE: Go ahead.

11 MS. FINNEGAN: Well, maybe I just didn't  
12 understand the question.

13 MR. MONROE: All right. Let me refer you  
14 to Verizon 29, which is your September 5th  
15 rebuttal.

16 MS. FINNEGAN: I don't have that here.

17 MR. MONROE: When you find that exhibit,  
18 I'm looking at page two.

19 MS. FINNEGAN: Thank you.

20 MR. MONROE: I believe you found it, but  
21 I'm looking at lines 19 through 21.

22 MR. ANTONIOU: We are with you.

1 MR. MONROE: And the particular language  
2 says, (reading) Nevertheless, to the extent that  
3 Verizon company has performed a billing and  
4 collection function for third-party providers, it  
5 usually has done so as a result of terms required  
6 by state commission in Verizon company's tariff.

7 MS. FINNEGAN: This is true, but it's  
8 billing and collections related to IXC messages and  
9 nothing to do with the exchange of messages that we  
10 are trying to settle here today.

11 So, this has to do with some IXC billing,  
12 IXC long-distance billing, and that's what's  
13 covered by the state commissions, and it's called  
14 billings and collections. It's a different  
15 process, a different function.

16 MR. MONROE: Why did you testify about  
17 this if it has nothing to do with the issue?

18 MS. FINNEGAN: It does have to--well, you  
19 guys proposed in your language that we do a billing  
20 and collections-like function, and what I had  
21 stated is, billing and collections is a terminology  
22 related to IXC that really doesn't apply here, so

1 therefore the language that MCI proposed doesn't  
2 really fit what we should do for settlement and  
3 billing of local exchange records.

4 MR. MONROE: I believe, and correct me if  
5 I'm wrong, that this panel issue VI-1(Y) and  
6 VI-1-(AA) are dealing specifically with language  
7 that Verizon proposed adding to the contract and  
8 that, in fact, WorldCom had no counter for and  
9 wanted no language in the contract for; is that  
10 correct?

11 MS. FINNEGAN: I understood that there was  
12 a placeholder put in there we would agree to  
13 mutually--mutually agreeable language, and I  
14 thought the billing/collections part was an  
15 additional proposed language by MCI.

16 MR. MONROE: Well, would you accept,  
17 subject to check, that WorldCom proposed no  
18 language for these issues?

19 MS. FINNEGAN: Okay.

20 MS. FAGLIONI: You are proposing an  
21 additional sentence to--that's the sentence she's  
22 talking about. She may have a misunderstanding,

1 but she's talking about the sentence you proposed  
2 adding to Verizon's language, I believe.

3 MR. ANTONIOU: If you want us to accept  
4 that absent any Verizon language at all that  
5 WorldCom proposes, that's generally my  
6 understanding.

7 MR. MONROE: Well, then are you--is it  
8 your testimony that the sentence I just read from  
9 your rebuttal testimony was directed specifically  
10 at the WorldCom proposed sentence added to the  
11 Verizon language?

12 MS. FINNEGAN: Yes. The objection was at  
13 the additional language that MCI WorldCom proposed.

14 MR. MONROE: Do you have that WorldCom  
15 proposed language in front of you? Or do you have  
16 it there with you?

17 MS. FINNEGAN: I hope so.

18 MS. FAGLIONI: It should be in the DPL, if  
19 you got it up there with you.

20 MR. MONROE: It is on the first page of  
21 the DPL. I think it's also in both parties'  
22 testimony.

1 MS. FINNEGAN: I have it.

2 MR. MONROE: Is there any reference in  
3 there to interexchange carrier or intra-LATA  
4 traffic?

5 MS. FINNEGAN: It speaks to intra-LATA  
6 intrastate calls.

7 MR. MONROE: That's intra-LATA or  
8 intrastate; is that correct?

9 MS. FINNEGAN: Yes.

10 MR. MONROE: There is no reference to  
11 inter-LATA or interstate calls?

12 MS. FINNEGAN: No, there is not.

13 MR. MONROE: But your testimony in  
14 responding to WorldCom's language, as you said, is  
15 pointed only at intra-LATA traffic; is that  
16 correct?

17 MS. FINNEGAN: Yes. I thought there was  
18 language in here proposing a billing and  
19 collections-like settlement, if--I don't know where  
20 I got that from, but I thought that's what was in  
21 here.

22 MR. MONROE: Proposed by WorldCom?



1 MS. FINNEGAN: Yes, I thought.

2 MR. MONROE: If you take another  
3 opportunity to look at WorldCom's proposed  
4 language, in light of the fact that it doesn't deal  
5 with inter-LATA, would you please provide new  
6 testimony on objections Verizon has to it.

7 MS. FINNEGAN: Okay. I'm getting confused  
8 now, but this language made or accepted by that end  
9 user, I can't object to this language. It's fine.  
10 It doesn't go on to say exactly how it's a  
11 placeholder.

12 And I'm really confident that the language  
13 that--what we are both trying to get to is an  
14 agreement to settle these records via CMDS, and MCI  
15 is already doing that process, so we will come to  
16 terms.

17 MR. MONROE: Okay, thank you.

18 Now let's talk about issue VI-1-(AA) a  
19 little.

20 It's my understanding that you have  
21 testified that the traffic that you're referring to  
22 in issue IV-1(AA) is not permitted by the State of

1 Virginia; is that correct?

2 MS. RICHARDSON: That's correct.

3 MR. MONROE: So, as the law now stands in  
4 Virginia, there is no need to have any language  
5 pertaining to this; is that correct?

6 MS. RICHARDSON: For the state of  
7 Virginia, that's correct. The reason for the  
8 proposal of the language, though, is because of the  
9 fact these agreements can be moved into a state  
10 where that service exists, so we would like to have  
11 that information in that contract in the event that  
12 it's moved to a state where it exists so we have  
13 ability to negotiate the language for the service  
14 at that time.

15 MR. ANTONIOU: What I would like to add  
16 one other comment, to make clear, it's Verizon's  
17 position, given the context in which this issue has  
18 been decided up to now or has been processed up to  
19 now, if the parties were to agree to language on  
20 this outside of a formal decision, it would be our  
21 view under the merger conditions that that's not  
22 language that could be opted into another state,

1 although at this point we are not certain that  
2 would be the case, and that's the reason we have  
3 the concern. It is possible that that language,  
4 notwithstanding it's being developed--the contract  
5 is being developed in this proceeding that it is  
6 possible, depending on a decision of a state  
7 commission looking at the merger conditions that  
8 the provisions could be opted into another state.

9 MR. MONROE: We will address that in just  
10 a second. I just to want clarify first, though,  
11 that the only reason Verizon wants to include this  
12 language in the contract is because it might be  
13 ported to another state.

14 Is there any other need to have it in the  
15 contract between the parties in Virginia?

16 MR. ANTONIOU: No. We would rely on the  
17 change-of-law provisions of the contract if, in  
18 fact, this sort of traffic was permitted or  
19 otherwise mandated in the State of Virginia.

20 MR. MONROE: Okay. And then I think you  
21 touched on this a bit, but I want to explore it.  
22 It's my understanding of the merger conditions and

1 I guess just to make sure we are all talking about  
2 the same thing, when Verizon merged with GTE, the  
3 government imposed certain conditions on Verizon  
4 before the merger could be completed, and one of  
5 those conditions was that a CLEC could port terms  
6 of an agreement from one state to another state and  
7 put them in an Interconnection Agreement in that  
8 second state; is that correct?

9 MR. ANTONIOU: As you stated, it's not--it  
10 has to be a voluntarily negotiated arrangement  
11 pursuant to a contract that then could be taken  
12 into another jurisdiction.

13 MR. MONROE: Thank you for the  
14 clarification.

15 With that amendment, then, is what I  
16 stated correct?

17 MR. ANTONIOU: Generally, that's right.

18 MR. MONROE: All right. And to this date,  
19 the parties have not voluntarily negotiated  
20 agreed-to language for this issue; is that correct?

21 MR. ANTONIOU: That's correct.

22 MR. MONROE: And if we accept for sake of

1 discussion the parties are not able to reach  
2 agreement on this issue, then this Commission will  
3 be rendering a decision on the issue and the  
4 parties will have ordered language in the contract  
5 or not as the case may be; is that correct?

6 MR. ANTONIOU: That is correct, although  
7 to the extent to which there is no language on the  
8 contract--in the contract on this issue, and  
9 another carrier adopts this contract in another  
10 state, then they have a contract that doesn't deal  
11 with information services traffic. What that means  
12 is then we have no arrangement with that other  
13 carrier as to how compensation would be had for  
14 that sort of traffic.

15 The language we have in the second  
16 paragraph of what we distributed says is if, in  
17 fact, somebody does that, they adopt this contract  
18 from Virginia into another state, then a state  
19 where this sort of traffic is permitted or  
20 mandated, then at either parties' request, we are  
21 going to negotiate terms for it. And if you look  
22 at end of the last several lines of this, the

1 bottom line is it provides for a pretty quick  
2 dispute resolution process.

3           What Verizon didn't want to have happen is  
4 that it would be left holding the bag for these  
5 calls, and the dispute resolution process might be  
6 several months before one could get the appropriate  
7 agency involved. What we have done is a compromise  
8 to say if someone adopts this contract in another  
9 state and in that state they have this sort of  
10 traffic, if we don't reach closer with them  
11 quickly, we could go to dispute resolution quickly  
12 and the amount of time we are left holding the bag  
13 is limited. That is our means to try to make this  
14 go away.

15           MS. PREISS: Just to clarify, this  
16 language you're talking about is the language  
17 reflected in Verizon Exhibit 57?

18           MR. ANTONIOU: Yes. I'm sorry for not  
19 making that clear.

20           MR. MONROE: I appreciate the  
21 clarification, and I'm although hesitant to do so,  
22 I'm going to explore that for just a second. I

1 think what you have just described is Verizon wants  
2 to have some kind of specialized change-of-law  
3 provision dealing with information services  
4 traffic; is that correct?

5 MR. ANTONIOU: When you say "special," I  
6 don't know exactly what you mean.

7 MR. MONROE: Well, language that would  
8 apply just to information services traffic that  
9 would be separate from the general change-of-law  
10 provisions.

11 MR. ANTONIOU: If you're looking for a  
12 place to pin your hat for Internet, you got it.  
13 There are issues out there, and this is the way  
14 that we have tried to make this issue go away in  
15 the context of the fact that there is no such  
16 traffic in this state. That seems a reasonable  
17 thing to do. But if you're trying to connect the  
18 dots, you have connected them.

19 MR. MONROE: Well, I appreciate that. I  
20 don't know if you're in a position to make a  
21 decision for Verizon, but I'm highly confident my  
22 client would be willing to accept your specialized

1 change-of-law provision in exchange for Verizon's  
2 accepting my client's change-of-law provision.

3 MR. ANTONIOU: It's a good time for mirth.  
4 It will not happen.

5 MR. MONROE: Okay. If I could summarize  
6 where we are on this issue, then, Verizon is asking  
7 for this Commission to order language into the  
8 agreement for Virginia that isn't applicable in  
9 Virginia, and that if ordered by the Commission,  
10 would not be portable under the merger conditions  
11 to another state; is that correct?

12 MR. ANTONIOU: If it were ordered by the  
13 Commission, our view would be that it is not  
14 portable to another state, that's correct.

15 MR. MONROE: And I guess I want to  
16 doublecheck, the entire line of testimony that  
17 Verizon filed relating to billing and collections  
18 agreement doesn't apply to either one of these  
19 issues; am I correct there?

20 MR. ANTONIOU: I'm not sure we follow. We  
21 were talking about information services traffic, so  
22 you switched gears. Could you clarify.



1 MR. MONROE: In your rebuttal testimony  
2 you combined the testimony for the two issues, and  
3 so I'm not able to pull them apart and know that  
4 certain rebuttal applies to one issue or to the  
5 other because there are some similarities between  
6 the two issues, and I want to make sure that it  
7 was--inadvertence or a misunderstanding on  
8 Verizon's part when it filed testimony on billing  
9 and collection agreements, that I don't need to  
10 cross-examine you on it because, in effect, you  
11 didn't intend to apply billing and collections  
12 agreements to either one of these issues.

13 MR. ANTONIOU: Restate your question.

14 MR. MONROE: Well, are billing and  
15 collection agreements with third parties or between  
16 the parties to this agreement germane to either one  
17 of these issues?

18 MS. FINNEGAN: It's not to alternate  
19 billed calls. The term billing and collections, I  
20 said, refers to the exchange of IXC, I guess is  
21 information service that would also not be IXC, so  
22 I would say no.

1 MR. ANTONIOU: With respect to information  
2 services traffic, agreements that--billing  
3 agreements that we might have with other carriers  
4 could, in fact, be germane, if we were to get to  
5 the point under the language that Verizon has  
6 proposed of actually in Virginia, if this sort of  
7 traffic were permitted, to have to negotiate terms  
8 for it, or if it were adopted in another state, to  
9 negotiate terms for it.

10 So long as no such traffic is, in fact,  
11 being transported in Virginia, then with respect to  
12 information services traffic billing and collection  
13 agreements is not germane.

14 MR. MONROE: Okay. Then I take it that  
15 you have not been ordered by any states to do  
16 billing and collections for information services  
17 traffic; is that correct?

18 MS. RICHARDSON: That's correct.

19 MR. MONROE: Including Virginia?

20 MS. RICHARDSON: Including Virginia.

21 MR. MONROE: I have no more  
22 cross-examination questions.

1 MR. DYGERT: Do you have any redirect for  
2 Mr. Argenbright on this? Maybe not redirect, but  
3 direct for Mr. Argenbright on this language that is  
4 in Exhibit 57? You're welcome to conduct that.

5 MR. MONROE: Thank you.

6 DIRECT EXAMINATION

7 MR. MONROE: Mr. Argenbright, you had an  
8 opportunity to review Verizon Exhibit 57?

9 MR. ARGENBRIGHT: I have.

10 MR. MONROE: And do you have an opinion as  
11 to whether there is a need to have definition and  
12 description of how to deal with information  
13 services traffic in the Interconnection Agreement?

14 MR. ARGENBRIGHT: I do not. Consistent  
15 with my earlier testimony, the traffic involved  
16 here, we believe, is local. The agreement without  
17 this provision provides for treatment of local  
18 traffic, and it's not needed.

19 MR. MONROE: So, without this language,  
20 would the parties be able to route the traffic  
21 between each other?

22 MR. ARGENBRIGHT: Yes, over the existing

1 interconnection arrangement.

2 MR. MONROE: And without this language,  
3 would the parties be able to apply whatever  
4 compensation arrangements are applicable? By that  
5 I mean, would the parties be able to determine that  
6 either reciprocal compensation or intra-LATA or  
7 intra-LATA access charges apply?

8 MR. ARGENBRIGHT: Yes.

9 MR. MONROE: I have no more direct  
10 examination on Verizon 57.

11 MS. FAGLIONI: Could I have a quick cross  
12 question on his direct?

13 MR. DYGERT: Yes.

14 CROSS-EXAMINATION

15 MS. FAGLIONI: I need a clarification. Is  
16 it your testimony that information services traffic  
17 is or is not local traffic?

18 MR. ARGENBRIGHT: With the exception of  
19 Internet traffic, we would say that information  
20 services traffic directed to local numbers is local  
21 traffic.

22 MS. FAGLIONI: That's all.

1 MR. DYGERT: We could go off the record.

2 (Off the record.)

3 MS. PREISS: We have a couple of questions  
4 about IV-1(AA), and we are referring to Verizon  
5 Exhibit 57.

6 Forgive me if this is evident elsewhere in  
7 the contract, but you define--Verizon defines  
8 information services and information services  
9 traffic in terms of delivered to information  
10 service providers.

11 Can you flesh out that definition a little  
12 bit for us. I mean, what kind of traffic are we  
13 talking about here?

14 MS. RICHARDSON: Talking about traffic to  
15 specific exchanges, 976, 915 in particular in this  
16 area. Information service providers are customers  
17 who provide recorded information like time and  
18 weather, dial-a-date, those types of services or  
19 what we classify as information services traffic.

20 MS. PREISS: So, this is not meant to  
21 encompass all traffic to information service  
22 providers as information services is defined in the

1 Act in Section 15320 of the Act?

2 MS. RICHARDSON: No.

3 MS. PREISS: So, it's limited to--what did  
4 you say? 976 numbers and--

5 MS. RICHARDSON: 915 in this general area.  
6 Those are the exchanges we use. 915 and 976.

7 MS. PREISS: 976 and 915 numbers in  
8 Virginia.

9 MS. RICHARDSON: There aren't any in  
10 Virginia.

11 MS. PREISS: There weren't any, but if  
12 there were, it would be 976 and 915?

13 MS. RICHARDSON: That's what we use in  
14 Maryland.

15 MS. PREISS: There is no such traffic in  
16 Virginia?

17 MS. RICHARDSON: No, ma'am.

18 MS. PREISS: It is against Virginia law?

19 MS. RICHARDSON: Yes, it is.

20 MS. PREISS: All right. I think,  
21 Mr. Antoniou, you answered this in response to a  
22 question from WorldCom's counsel, but I think I

1 need to understand it better.

2           Why is it Verizon's view that a change of  
3 law--your general change-of-law provision doesn't  
4 provide Verizon with the protection it needs here?

5           MR. ANTONIOU: Okay. It's my  
6 understanding of WorldCom's position on this issue,  
7 if we were in a state where this traffic did, in  
8 fact, take place, that Verizon should bill the  
9 WorldCom end user that's initiating one of these  
10 calls, and Verizon should not bill its customer  
11 WorldCom. That's the crux of the issue if we were  
12 going to actually be deciding the issue in a state  
13 where this traffic took place.

14           So, absent an agreement by WorldCom that  
15 it, in fact, would compensate Verizon for these  
16 calls, if this sort of traffic takes place in  
17 another state under an agreement where there is  
18 nothing that says that the other carrier has to pay  
19 Verizon, then what Verizon is concerned about is  
20 that carrier's customers will make these 976 and  
21 other sorts of calls, and there will be nothing in  
22 the contract that says that our customer, the CLEC,